



Position Paper: TEA Reauthorization

This position paper assesses issues important to the City of San Diego as Congress rewrites the Transportation Enhancement Act, by which Federal transportation funds are distributed. Final action is anticipated by Congress in early 2004.

Background

The Draft 2030 Regional Transportation Plan currently projects a likely spending level of \$42 billion. Approximately \$11 billion of these funds are anticipated from Federal sources. The Transportation Enhancement Act (TEA) Reauthorization will determine:

1. The level of Federal funding provided to transportation for the next 5 years
2. How funds will be distributed between states, and between categories of projects (e.g. highways and transit)
3. The list of projects eligible for "demonstration grant" funding
4. Other rules and regulations governing transportation

Funding Issues

Federal transportation funds are generated by collection of a 22.5 cent tax on each gallon of gas, as well as additional user fees. In aggregate, these funds will generate between \$225 billion and \$300 billion nationally during the next 5 years. At least three reauthorization proposals are expected – one each from the Bush Administration, the House of Representatives and the Senate. The following chart summarizes what is known of these proposals, and compares it with the past 5 year funding level.

	5 yr Total	High Annual funding Level:	
		Highways	Transit
Current Law	\$216 billion	\$39 billion	\$7.2 billion
(Highway	\$173 billion)		
(Transit	\$36.2 billion)		
Administration	\$221.5 billion		
(Highway	\$173 billion)		
(Transit	\$48.5 billion)		
House (Young)	TBD	\$60 billion	\$12 billion
Senate	TBD		

House Transportation Committee Chairman Don Young is known to favor a significant increase in transportation spending, citing conclusions of a Department of Transportation study that existing funding levels are not even maintaining the system adequately, much less addressing increasing congestion. Chairman Young suggests four sources for the possible funding increase:

1. **Trust Fund:** \$9-\$13 billion can be added by spending down the existing Transportation Trust Fund balance of \$17 billion to a still prudent reserve of between \$4 billion – \$8 billion. The balance, once reaching nearly \$30 billion, was reduced by contributions to deficit reduction.
2. **“Transportation Fees for Transportation:”** A variety of transportation fees are NOT spent on transportation purposes, including ethanol subsidies.
3. **Indexing Gas Tax:** The current gas tax is NOT indexed for inflation. Doing so would keep revenues consistent with construction, maintenance and operation cost inflation
4. **2 cent Gas Tax Increase:** The gas tax was last increased by President Clinton – 5 cents per gallon in 1992, though the revenues were dedicated to deficit reduction. In 1998, Congress redirected those funds to transportation.

The Bush Administration proposal, by contrast, assumes existing revenues from gas taxes and fees during the 5 year period.

Defining San Diego’s Interests

Funding Level

- All three proposals will likely meet the short term federal funding assumptions of the RTP for the years 2003-2007
- The House proposal would begin to fulfill the long term RTP funding assumption of increased federal revenues

Local Earmarks: During the last reauthorization, the San Diego region received \$405 million in earmarks:

<u>Highway Projects: \$80 million</u>	<u>Earmark</u>
Acquire right-of-way and construct SR905	
Construct Olympic Training Center Access Road, Chula Vista	\$5 million
Construct San Diego and Arizona Eastern Intermodal Yard	\$10 million
Construct SR-78/Rancho Del Oro interchange in Oceanside	\$3.75 million
Complete Citracado Parkway project in San Diego County	\$2.25 million
Extend State Route 52 in San Diego	\$2.25 million
Complete State Route 56 in San Diego	\$3 million
Construct State Route 76 in Northern San Diego	\$7.5 million

Transit Projects: \$325 million

Earmark

San Diego Mid-Coast LRT Corridor

San Diego Mission Valley East Corridor

San Diego Oceanside-Escondido Corridor

SANDAG has submitted a list of project proposals for reauthorization – which is enclosed as appendix 1

Transit Issues: The priority of our region is to complete existing light rail transit lines, and, to embark upon the “Transit First” strategy that relies heavily upon “Bus Rapid Transit” (BRT). Regional strategy will emphasize eligibility of BRT for transit funding.

Border Issues: San Diego serves as a through-way for the busiest international border crossing in the world. The majority of this traffic is destined for areas outside of the San Diego region; much of it going to places even outside of California. Our regional priority has been to identify appropriate federal funding to address projects which ultimately benefit other regions of the country. \$800 million was dedicated to border and trade corridors in the last 5 year program.

Environmental reforms: States that have extensive project review requirements to ensure environmental protection, have sought ways to eliminate duplication of federal requirements – resulting in faster opening of new transportation projects